

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2001-626

September 25, 2001

Portland Water District
Application for Approval of
Issues of Securities (§902) (\$8,600,000)

ORDER APPROVING
ISSUES OF SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On September 10, 2001, the Portland Water District (the District) filed with the Commission its application for authority to issue its bonds in a sum not to exceed \$8,600,000 through Quick & Reilly, at an annual rate not to exceed 10.0 percent to refund the District's 1994 Water Bonds – Series A (the 1994 Series A Bonds). The debt will be paid over a term not to exceed the maturity date of the 1994 Series A Bonds, which is approximately 13 years. In this order, we approve the District's application but only to the extent that the actual issuance produces debt service savings over the term of the bonds.

The District requires these funds for the purposes of refunding \$8,600,000 of 1994 Water Bonds issued through the Maine Municipal Bond Bank (1994 Series A Bonds). The District will refund serial bonds maturing from November 1, 2002 through November 1, 2009 and a term bond maturing on November 1, 2014. The coupons start at 4.55% in 2002 and increase to 5.50% in 2014. The refunding bonds will be issued to achieve debt service savings on the 1994 Series A Bonds. The District has represented to the Commission that it will not go forward with the refunding if it does not produce debt service savings.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the Portland Water District is hereby authorized to sell its bond in a sum not to exceed \$8,600,000 to be used solely for the purposes described in this Order, and at a rate that produces debt service savings on the 1994 Series A Bonds and not to exceed 10 percent per year through Quick & Reilly for a term not to exceed the maturity date of the 1994 Series A Bonds which is approximately 13 years.
2. That the District report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the sale of the proposed bonds, or by January 31, 2002, whichever may come first.

3. That the District provide to this Commission documentation of the actual interest rate and the debt service savings to be realized over the life of the bond issue.
4. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 25th day of September, 2001.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.